



Statement

For Immediate Release

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U.S. CHEMICALS MANUFACTURERS CALL FOR SENSIBLE TRADE POLICY SOLUTIONS

WASHINGTON (May 6, 2019) – *The following statement may be attributed to American Chemistry Council (ACC) President and CEO, Cal Dooley, in response to reports by U.S. Trade Representative Robert Lighthizer of a Friday deadline for resolving escalating trade tensions between the U.S. and China:*

“U.S. chemical manufacturers support comprehensive and sensible trade policy solutions that help us [maximize our competitive advantage, grow our exports and create jobs](#). The risks of continuing to use tariffs as a negotiating tactic with China are [simply too high](#) – and any potential benefits still unclear. China supplies the United States with several chemicals which are not available anywhere else and which are critical inputs to U.S. manufacturing. China is also the third-largest export market for U.S. chemicals manufacturers. Future growth for our industry depends on a strong trading relationship with China and a trade policy that creates certainty and predictability for investors – not a looming threat of more or higher tariffs.

“We are starting to see signs that the tariffs are disrupting supply chains, cutting off markets, and eroding U.S. chemical manufacturing competitiveness. Although chemical imports from China grew by 22.7 percent in 2018, the retaliatory tariffs significantly dampened U.S. chemical exports to China, resulting in only a 2.7 percent increase in 2018 – nearly tripling the chemicals trade deficit, from \$1.4 billion to \$4.0 billion. Year-over-year performance deteriorated most dramatically in the fourth quarter, with chemical exports declining 24 percent to our industry’s third largest export market in China. We believe the surge in imports is a direct result of companies stocking inventories before each new Section 301 tariff hike went into effect.

“ACC and its members strongly urge President Trump to remain focused on sensible solutions with China this week and forgo the imposition of higher tariffs.”

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a \$526 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for ten percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts,



May 6, 2019
Page 2

working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

